#### LAWLER, METZGER & MILKMAN, LLC

2001 K STREET, NW SUITE 802 WASHINGTON, D.C. 20006

RUTH MILKMAN
PHONE (202) 777-7726

PHONE (202) 777-7700 FACSIMILE (202) 777-7763

October 25, 2002

#### By Electronic Filing

Marlene H. Dortch, Secretary Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554

Re: Ex Parte Presentation

In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers,

CC Docket Nos. 01-338, 96-98, 98-147

Dear Ms. Dortch:

On October 24, 2002, Donna Sorgi, Kim Scardino, and Larry Rogers of WorldCom, Inc. and Ruth Milkman, Lawler, Metzger & Milkman, counsel to WorldCom, met with Scott Bergmann, Jeffrey Carlisle, William Maher, and Brent Olson to discuss the above-captioned proceeding. In the meeting, WorldCom discussed UNEs that are required for the provision of DSL services, as described in the attached presentation.

Pursuant to section 1.1206(b)(2) of the Commission's rules, 47 C.F.R. § 1.1206(b)(2), this letter is being provided to you for inclusion in the public record of the above-referenced proceeding.

Sincerely,

Ruth Milkman

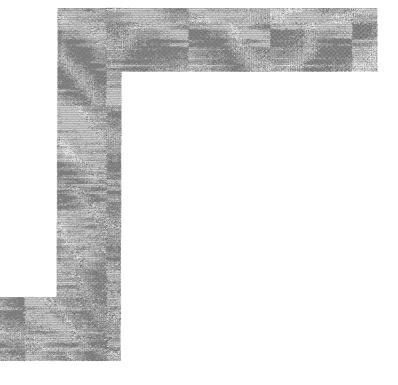
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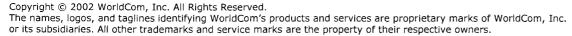
cc: Scott Bergmann
Jeffrey Carlisle
William Maher

Brent Olson

### **WorldCom DSL**

Larry Rogers
Director, WorldCom DSL
FCC Briefing
Oct 24, 2002





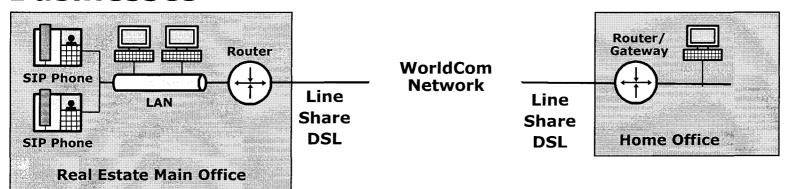


#### **Distinguishing Aspects of WorldCom DSL**

- Competitive Option for Businesses and ISPs
- Nationwide Coverage / Single Supplier
  - -Key for ISP & Regional/National Enterprises
- Owned and Managed Facilities from DSLAM to WCOM Backbone
- DSL Access to Multiple Network Backbones
  - Important for business to connect to existing infrastructure
- WorldCom Service Levels
  - Business or consumer grade
  - Customers willing to pay for the features



## **Business: Line Sharing Delivers Benefits to Businesses**

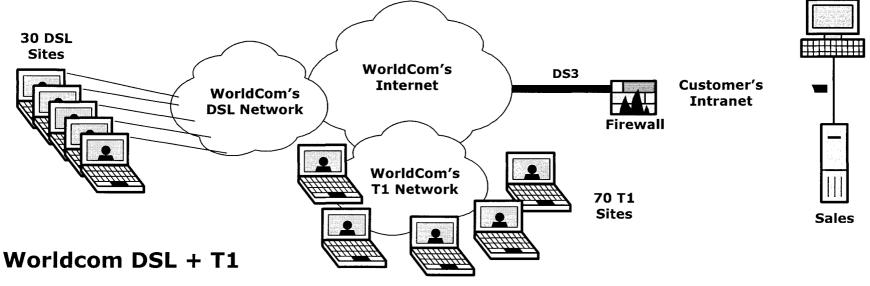


- Typical customer: two site real estate company
- Wcom Business DSL Line Sharing Offering
  - Each site 1.5M down/256k up bandwidth
  - Price \$75
  - Service Guarantees
  - Integrated access to value added service(VoIP, IP Centrex)
- If forced to use xDSL loops:
  - absorb ~\$330 install costs
  - 30% increase in monthly costs
  - not feasible with this market

- Alternative is ILEC Consumer Grade
  - 1.5M down/256k up
  - Price \$60 per month (VZ Web)
  - No service guarantees
  - No integrated access to value added services(VoIP, IP Centrex)



#### Large Businesses Benefit from WCOM DSL



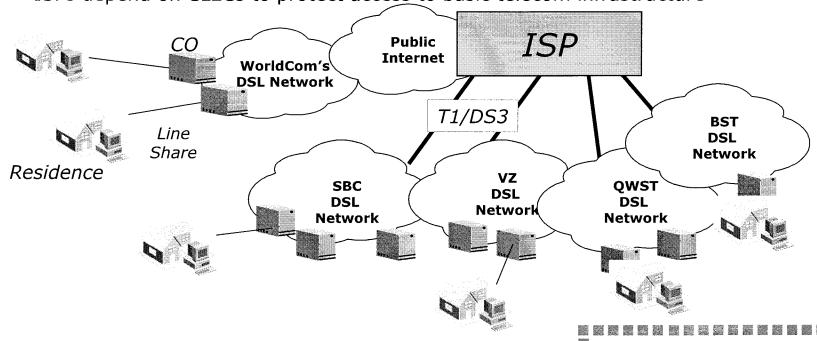
- 30 DSL Sites @ \$175
- 70 T1 Sites @ \$800
- 1 DS3 @ \$2000
- Total Monthly Cost = \$63,250
- ILEC T1 offering 100 T1's = \$82,000
- Net savings of \$18,750 per month



# ISP Competition with ILEC depends on Line Sharing

- ISPs utilize WorldCom's broad product offering
  - Consumer to business grade services based on line shared loops
- WorldCom provides nation-wide, single supplier of line shared service
  - Low investment to get started encourages innovators
- Without Line Sharing, ISPs will not be able to compete with ILEC offering on price

- ISPs depend on CLECs to protect access to basic telecom infrastructure



### WorldCom Must Have Access to DSL loops, Including **Line Sharing**

- CLECs need access to ILEC network to provide DSL
  - ILECs' own the last mile; CLECs can not duplicate access
- CLECs are impaired without access to line-shared loops
  - Second loop often unavailable (no facilities)
  - Cost of second loop materially increases provisioning costs, and decreases efficiency
- Delivering Line Sharing UNE to CLEC is not a substantial incremental burden
  - Sunk Investment/Minimal ongoing investment
  - CLECs have equipment deployed in ILEC CO's
  - Minimal ongoing ILEC resources to support new customers
- Benefits of Line Sharing competition far outweigh the minimal costs

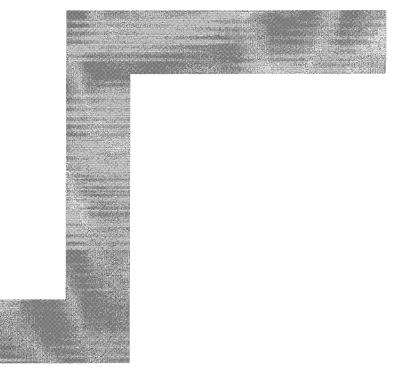


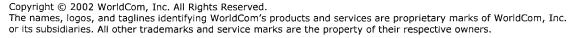
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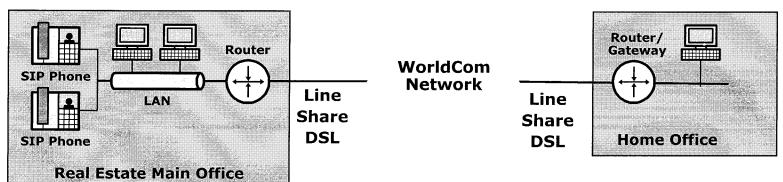


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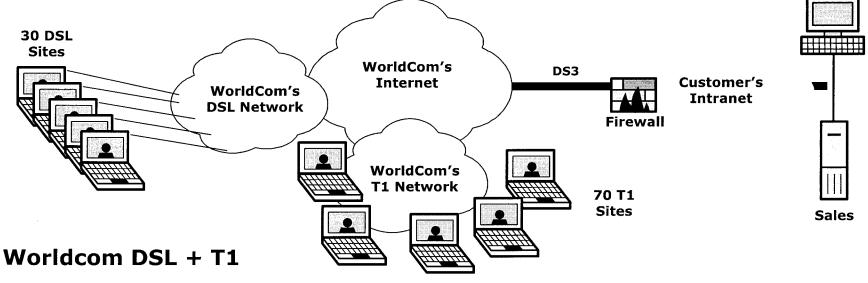


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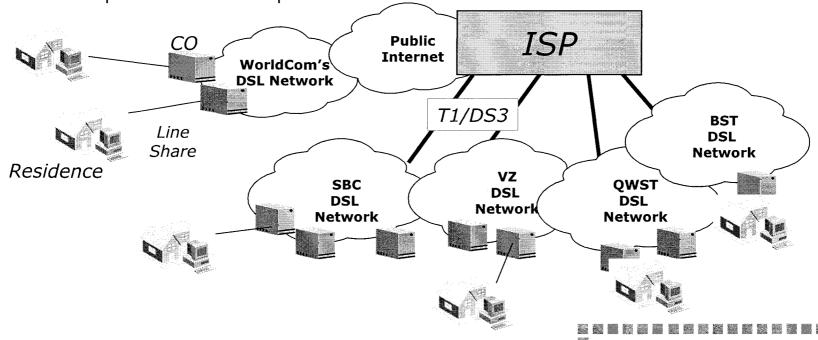
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WORLDCOM ...

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WORLDCOM